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NPTA

MANAGEMENT NEWS

June, 1984

Highlights

10 companies receive membership in NPTA

Congratulations to: Bret Packaging Company, Direct Packaging Inc., Empire Paper Corp., The P.J. Fox Paper Company, Inc., Galer & Hults Inc., Hathaway Paper Company, Keene Industrial Paper Company, Inc., Monumental Paper Company, South Shore Paper Inc., Welsh Paper Company. (P. 2)

New quarterly journal on tape

The National Association of Printers and Lithographers has begun publishing a quarterly "Graphic Arts Journal in Sound." Just the thing for busy executives to listen to on the way to work. (P. 4)

Industrial paper group looks at merchant needs

The Industrial Paper Division Committee met and reviewed the needs of merchants. An important new monthly survey is being developed. (P. 5)

Stanley O. Styles award nominations open

The Stanley O. Styles Industry Excellence Award will be given for the first time at this year's Chairman's Luncheon held at the Annual Convention. Nominations are now being accepted. (P. 6)

Convention '84 - expanded issue

Strive for Excellence at the Annual Convention and Exposition! Make plans now to attend the event of the year. (Special section/Pages 7-13)

Changes in building depreciation

Wholesalers may be adversely affected by proposed changes in Accelerated Cost Recovery System. (P. 19)

Association plans Convention through 1990

The Association's Annual Convention may come to your town in the year ahead. Dates and cities have been approved by the board of the directors through 1990. (P. 20)

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News of Paper Trade Activities

Ten distribution companies receive membership in NPTA

The following companies have received membership in the National Paper Trade Association:

Bret Packaging Company
1000 Great Plain Avenue
Needham, MA 02192
Richard L. Elwell, President
established: 1968
location: 1
type: dual

Direct Packaging Inc.
158 Midgely Drive
Hewlett, NY 11557
Lasker Harris, President
established: 1978
location: 1
type: industrial

Empire Paper Corp.
134 Sheridan Avenue
Albany, NY 12210
Mary Nachison, President
established: 1945
location: 1
type: industrial

The P.J. Fox Paper Company, Inc.
250 Station Street
Cranston, RI 02910
Paul J. Fox, Sr., President
established: 1957
location: 1
type: dual

Galer & Hults Inc.
Rt. 611, Hankin Road
Horsham, PA 19044
Harold E. Galer, III, President
established: 1940
locations: 2
type: industrial

Hathaway Paper Company
P.O. Box 519
Waynesboro, VA 22980
Curtis Hathaway, President
established: 1980
location: 1
type: industrial

Keene Industrial Paper Company, Inc.
104 Emerald Street
Keene, NH 03431
P.A. Chamberlin, President
established: 1952
location: 1
type: industrial

Monumental Paper Company
2201 Eagle Street
Baltimore, MD 21223
Soll L. Selko, President
established: 1924
location: 1
type: industrial

South Shore Paper Inc.
3rd Avenue & Memorial Drive
Neptune City, NJ 07753
Jeffrey Hoffman, President
established: 1935
location: 1
type: industrial

Welsh Paper Company
308 South White Street
Wake Forest, NC 27587
K. Gordon Welsh, President
established: 1983
location: 1
type: dual

People in the News

Darlene L. Patch was appointed marketing manager, printing papers at Blake, Moffitt & Towne, Brisbane, CA.

Leonard Battane was appointed operations manager of JB Papers' New York Division. **Bill Eichler** was named distribution manager and **Raymond Healy** was appointed purchasing manager.

D.E. Hacker was named vice president-marketing of Mead Merchants. **B.D. Edwards** was appointed vice president, general manager of Mead Merchants, Kansas City, MO. **Adam F. Meyer, Sr.** was named vice president executive sales and **Robert N. Wright** was appointed vice president packaging for the Central Area of Mead.

Louis R. Cohen, corporate merchandising manager of Pollock Paper Distributors, Dallas, TX was elected president of the Southwestern Paper Merchants Association.

William H. Ames was elected president of SCM Allied Paper. He succeeds **Thomas Roth** who retired.

David C. Stevens was elected president of Mead Containers, a division of the Mead Corporation.

R. Steven Mason was elected president and COO of Pope & Talbot succeeding **William A. Whalen** who was elected vice chairman.

Donald S. Povie was named vice president-communications of Mohawk Paper Mills.

Richard B. Porter was named vice president, marketing and sales for the Potlatch Corporation.

Crown Zellerbach will open new converting and distribution facility

"Bogalusa will become a major production and distribution center for our full line of service products for distributors in southern and midwestern markets," stated Paul T. Gallagher, vice president and general manager of Crown's Converted Products Division.

The new facility is part of a $300 million program to strengthen Crown Zellerbach as a supplier to the distribution industry that serves the commercial food service and sanitary markets.

The decision to locate the new distribution center adjacent to Crown's Bogalusa, LA mill includes an excellent labor relations climate at the mill, a suitable site and the proximity to the markets to be served.

BM&T to restructure its operations

Moving away from the traditional regional organization, Blake, Moffitt & Towne president Phillip L. Erickson will restructure the company's operation. The new arrangement breaks out five targeted, cohesive business groups comprised of three regional units and two divisions.

The divisions and branches comprising each unit will share both support services and products. The idea is to create broader item availability for the customer in a more efficient way.

Bob Spellman, BM&T vice president, sales, industrial products will lead its Central Region. Ward Gardner, vice president/general manager of the Seattle operation will head the Northwest Region, and James Fleming, general manager of the company's Los Angeles Division, will direct operations for the Southwest Region.

IU International reports on Unijax

In the annual report just published by IU International, it was reported that their "Distribution Services" Division had 1983 sales of $190.9 million, down 3.1% from 1982.

The division is made up of two parts: Unijax, Inc. - a paper products distributor, and Biggers Brothers - a wholesale supplier of food and food products. IU does not identify the sales of each separately.

The decline in revenue and operating earnings for the division (which fell 8.3% from $19.3 million in 1982 to $17.7 million in 1983) was due to the divestiture of Hobart McIntosh in the third quarter of 1982.

Whitaker Carpenter Paper purchased by Inter City

Inter City Papers Limited of Montreal is the largest paper merchant in Canada with annual sales of CAN $279 million. The company is a wholly-owned subsidiary of Abitibi-Price.

Whitaker Carpenter, headquartered in Elk Grove Village, IL, with annual sales of US $73 million, will become part of Inter City Papers Corporation, a United States affiliate of its Canadian parent. Whitaker services the commercial, business forms, in-plant, reprographic and book publishing industries.

The company operates branch offices in Detroit, MI, Nashville, TN, and Milwaukee and Appleton, WI. Thomas Washburn, president of Whitaker Carpenter, along with his current management team will continue to direct the affairs of the company.

The performance of world pulp and paper companies

Each year, Scandinavian Pulp and Paper Reports releases four reports on the performance of paper manufacturers around the world.

The four reports are: Scandinavia, Europe, Canada, United States. Each costs $130 and can be ordered through the National Paper Trade Association's Communications Department.

Each report covers 20 to 35 companies (the US issue reports on 25 companies). The complete set of four is available at $390, a substantial discount.

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Merchant Briefings

Printing Paper

Listen up!

The best printing industry trend information is available on tape

The road is long, with many a winding turn . . .

For the average paper merchant manager, the long road between work and home is filled with radio noise and lots of frustrating traffic. How can that hour or more each day be used productively and relieve the stress of the driver as well?

The National Association of Printers and Lithographers (NAPL) has part of the answer: A Graphic Arts Journal in Sound. The Journal is a quarterly cassette program 90 minutes long which focuses on one specific aspect of the changing graphic arts industry. According to I. Gregg Van Wert, NAPL executive vice president, "it's an easy way to keep up-to-date on the implications of changing trends."

The first issue of the Journal is titled "Printcast '84." It is an industry trend analysis conducted by the NAPL staff and non-resident consultants.

Three critical change trends are probed in-depth in this first issue: The continuing growth of color, the reduction in typical job run lengths, and the increasing use of electronics in print production.

The program was reviewed by members of the Printing Paper Committee of National Paper Trade Association which applauds the work of NAPL. Subscriptions to the "Graphic Arts Journal in Sound" may be obtained from the NPTA Communications Department and is offered through special arrangement with NAPL. The price is $52 per year (which is the NAPL member price).

Quick printers and their paper suppliers may benefit from federal printing plant closings

The Joint Committee of Printing (JCP), in response to the anticipated closing of numerous federal printing facilities, is considering the adoption of regulations which would create a new category of direct deal contracts for federal agencies.

Reported by Printing Industries of America (PIA), the direct deal contracts are being established to simplify agency short-run, quick turn-around printing purchases. The proposal reflects the concern of the JCP, the GPO, and federal agencies that the closing of federal printing facilities will "dump" a large number of small purchases on the GPO procurement system. The substantial increase in the number of orders has the potential for creating delays in response time from the GPO.

The JCP proposal is designed to reduce turnaround time and maintain a significant measure of control over printing within the ordering agency. The GPO would maintain ultimate control over the contracts and would have administrative authority to review agency and contractor compliance.

Quick printers and small shops should benefit from the proposal. Among the provisions are a requirement for delivery within 24 hours which would tend to favor small shops located near the federal facility. As an example of the impact of the action, any print shop currently located within a reasonable distance from a federal facility may expect to receive an opportunity to bid. It has been estimated that the volume currently performed in the agency shops identified for closing may be as much as $50 million.

Since the JCP proposal is in draft stage, the program is not in effect at this time. Initial review of the proposal by PIA would indicate the program will be accepted by the industry.

Historic name change for graphics group

A milestone in the 125 year history of Printing Industries of Metropolitan New York (PIMNY) occurred when its members voted to change the organization's name to "Association of the Grahpic Arts." The group's subtitle states that the organization serves "the Graphic Communications Industry of Greater New York and New Jersey."

The group decided on the name change to include all stages of the graphic arts process. Also, it was thought that association's image could be expanded beyond New York City. The association is part of Printing Industries of America (PIA) and is one of its largest groups.

Industrial paper group meets to review industrial needs

The Industrial Paper Division Committee of NPTA met in Washington, DC in April to review the needs of industrial paper distributors and develop new tools to help industry managers be more effective. The Committee chairman, Frank Viegas, president of the Dowd Company of Woburn, MA, also brought into focus the need for better supplier-distributor relationships.

Chairman Viegas welcomed four new Committee members to the group: Gene Panccasio, Rourke-Eno Paper Company; Donald Peyton, Pelican Paper Company; and Robert Short, Short Paper Products, Inc., and Richard Lerman, NPTA, as the new Committee secretary.

The Industrial Paper Committee met for one and a half days during the Association's "Committee Week '84." NPTA has eight standing committees made up of 60 volunteer leaders from throughout the United States and Canada.

Recommendations by the Committee

Video Programming: The Association's educational video tape series requires the development of programs by each NPTA Committee. The Industrial Paper Division will begin by looking at the role of the industrial paper merchant.

Convention and Exposition: The Industrial Paper Division Committee reviewed the needs of both merchants and suppliers at the Annual Convention and Exposition. The group agreed that the manufacturers and converters should play a larger role in the development of the annual event. Exhibitor surveys will be made to determine what changes might improve the show for all who attend.

For the 1984 Convention, the Committee determined that the program focus of "New Frontiers in Industrial Paper Distribution" was an important one. At a time when industrial paper distribution is facing challenges from other community areas, industrial paper merchants must seek ways to improve their operations. And further, they must look to new areas of growth.

Supplier Relations: The Committee's discussion of supplier-distributor relations proved to be a most important one. The group felt that the best way to go about this is to develop projects which will bring merchants and their suppliers close together.

Creating better lines of communication, providing more information about the distribution process, collecting better and more accurate data on the supply and sale of goods are all necessary ingredients for improving the supplier-distributor relationship. A "towel and tissue inventory survey" is now being researched by the Committee. A monthly survey such as this may give merchants and their suppliers better information in order to help them operate their businesses more productively and profitably.

Towel and tissue monthly inventory survey possible

The Association's Industrial Paper Division Committee and Management Information Committee have both endorsed the development of a monthly towel and tissue inventory survey of NPTA member companies. The project will go forward by asking member firms about participation in the project.

What are the benefits? Towel and tissue products make up about 19% of an industrial paper merchant's business and about 21% of a dual paper merchant's sale of industrial paper. And the smaller the company, the greater that percentage is. This is a significant part of the merchant's overall annual sales of all paper products. Any findings that will help these merchants handle their inventory more efficiently will be beneficial.

It is important to determine inventory trends - the upswings and downturns which signal a changing supply picture. Better control of inventory means making that inventory work harder for the industrial paper merchant.

It is expected that a constant base of participating companies will yield enough data to break the national information into regional segments. The Association is working with the American Paper Institute in developing the project. The monthly survey form is being designed to be filled out quickly and easily. Reporting will be done in number of cases, not dollars, to remove the effects of inflation.

Announcing The Stanley O. Styles Industry Excellence Award

Stanley O. Styles

Nominations now being accepted

Now, the paper distribution industry has an award which will honor a figure each year who exemplifies the qualities of the person for whom the award is named. The first presentation of this prestigious award will be at the Chairman's Luncheon on September 25, 1984 at the Hyatt Regency Chicago Hotel and will climax the Annual Convention.

To nominate someone for the Stanley O. Styles Award, send a letter of recommendation to NPTA president John J. Buckley, Jr., at the Association's headquarters, explaining why you feel your nominee is eligible. The deadline for receipt of nominations is July 10, 1984. Nominations from all in the paper industry are welcome. (See the selection criteria below.)

The name of the winner of the award will *not* be announced prior to the Chairman's Luncheon. Plan now to attend this important industry event.

Stanley O. Styles Award Selection Criteria

1. The recipient of the award shall be a paper merchant, paper manufacturer or converter, consultant, or educator who has had a distinguished career in the paper distribution industry.
2. Someone who has had a positive influence on the paper distribution industry: Possibly from the introduction of new management methods, marketing concepts, or new products which have become important in the industry.
3. The award recipient will be one who is acknowledged by the paper distribution industry as a leader and a good representative of the values and traits necessary for the excellent conduct of business.
4. Someone who has been long involved in industry affairs through actions and has supported the industry's trade associations, mills, merchants and affiliated groups.
5. Someone who has been a spokesperson for the industry locally and/or nationally.
6. The recipient will be one who exhibits impeccable character and is a long time, good citizen of the paper industry.

The NPTA Annual Convention and Exposition

September 22-25, Saturday-Tuesday, 1984 Hyatt Regency Chicago Hotel, Chicago, IL

Paper distributors from every state in the Union and 18 foreign countries will meet in Chicago for the major event of the year: NPTA's Annual Convention and Paper/Plastics and Allied Products Exposition.

Plan on being there for important workshops and seminars, a chance to meet the leaders of the industry, share ideas, and learn what's new on the market for paper distributors.

Don't miss NPTA's Convention and Expo '84 — The Show, the meetings, the Special Events...all waiting for you in Chicago!

Expo '84 *will feature paper, plastic and related products including health care disposables, retail and industrial packaging, food service items, sanitary supplies and equipment, non-wovens, foils, tapes, wraps and other specialties. Computer hardware and software designed specifically for paper distributors will also be displayed.*

Why Strive for Excellence? The word "excellence" is defined as "the fact or condition of being superior to, or surpassing others." It is a goal that should be set for all company employees. The result being an organization of winners.

The true winners are those who seek ways to improve performance, service and the standards of their activities. It is these qualities which make a company "superior to" others.

A company which strives for excellence is one which does not let market conditions dictate its marketing activities. It leads instead of follows. The excellent company knows what it wants to achieve in the marketplace and creates a plan to accomplish that goal.

A company's reputation is on the line each time a sale is attempted. The company of excellence "presells" its products **before** the salesperson walks in the customer's door. Excellence in doing business breeds loyal customers.

The NPTA Annual Convention and Exposition represents an opportunity to *Strive for Excellence*. A commitment to excellence is not an easy one to make. It requires in-depth knowledge of the important issues surrounding **all** business activities. It means being an industry leader. The NPTA Annual Convention and Exposition is an "excellent" way to focus attention on the opportunities ahead.

Convention '84: Programs

Saturday

New Frontiers in Industrial Paper Distribution

9:30 a.m. - 12 Noon

The janitorial supply distribution business has been growing for industrial paper merchants. How does a company get started in this area? What are the special requirements for servicing these accounts and warehousing product?

Also presented for industrial paper people will be "utilizing hand-held computer devices." This section of the program will familiarize merchants with portable computer terminals and other special telephone order entry devices that they can use in the businesses.

Sunday

Computerized Inventory Management

10:00 a.m. - 11:30 a.m.

Paper distributors want to know how computers can be used more effectively in inventory control. Noted expert Gordon Graham will discuss the advantages of computerization of inventory and its impact on productivity and profitability.

J.G. (Gordon) Graham has been active in distribution inventory management for over 20 years. He is a well-known business consultant, a writer, and seminar leader. He has recently presented sell-out one-day seminars for NPTA.

Building a Winning Management Team: A Key To Your Success (open to all)

10:00 a.m. - 11:30 a.m.

How does a company executive build a winning management team? The **Young Executives Forum** of NPTA has created this seminar which is open to all.

A leading expert in team building will present the concept and invite discussion. Management success depends on the ability to be a part of someone else's team, and the ability to create teams and have other people work on them. The program will help them focus on how to get the most out of their management efforts.

YEF Working Lunch (open to all executives under 40 years of age)

11:45 a.m. - 2:30 p.m.

Following the "Team Building" seminar, a reception and working lunch for young executives will be held. This will give participants an opportunity to discuss what they have learned earlier in the day.

Each roundtable discussion will be held to reinforce the major points of the morning's presentation. (Tickets required: $45 each: See Special Events Order Form).

Monday

YEF Breakfast

7:30 a.m. - 9:00 a.m.

Young executives will have another chance to get together. This breakfast is designed to give participants the opportunity to solidify new contacts and review the ideas learned the day before.

The cost of the breakfast is included in the price of the Sunday working lunch, and is only open to executives under the age of 40. Tickets are required.

General Business Session

9:00 a.m. - 11:00 a.m.

This session has three very important presentations. Lionel Eltis, NPTA chairman of the board, will address the Convention on the theme "Strive for Excellence." He will also report on the state of the industry and the Association.

The second participant will look at the economics of the paper industry and the United States. Norma Pace, senior vice president of the American Paper Institute, will also look at how the upcoming election is likely to affect the economy.

The featured speaker for the General Business Session is Governor Lee Sherman Dreyfus, former Governor of Wisconsin. Dr. Dreyfus has had an outstanding career as an academician and businessman. His motivational message should not be missed.

Annual Business Meeting

11:00 a.m. - 11:30 a.m.

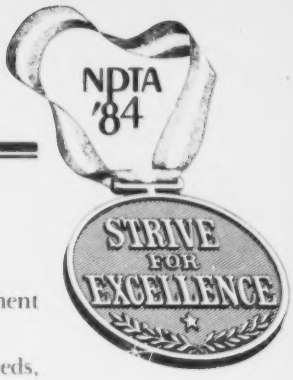
NPTA Members Only
The Annual Business Meeting of the National Paper Trade Association is an opportunity for members to learn of the activities of the Association in the past year. It is also a time to help forge the direction the Association will take in the industry.

The Future of Electrostatic Printing and its Impact on the Demand for Paper

2:00 p.m. - 3:30 p.m.

How will the "office of the future" concept change the demand for paper? Paul A. Strassmann, vice president systems applications of the Systems Group of the Xerox Corporation will explore the new role of paper in the business office of tomorrow.

The application of new reproduction technology will change marketing



The Future of Electrostatic Printing *(cont'd.)*

patterns for paper products. Paper merchants and their suppliers must look at the broad scope of this changing technology and prepare for the growth opportunities ahead.

Mr. Strassmann is a world-renowned expert on the subject of paper's place in the office of tomorrow. His presentation will be supported by research data from the Xerox Corporation, the leader in reproduction technology.

Tuesday

Management Programs:
These programs run from 9:00 a.m. - 10:30 a.m. and will be repeated 10:30 a.m. - 12 Noon.

The Promise of Telemarketing

Probably the best way to combat the rising cost of sales is to have your company move into telemarketing. Everyone is talking about the benefits of installing a telemarketing program, but to be successful requires a strong management commitment.

What are the true costs associated with implementing a telemarketing program? How can you compensate telemarketers? These and other questions related to the cost of a telemarketing program will be explored.

Health Care Cost Containment

How can you control an expense that has been growing at twice the rate of inflation for the past decade? Health care costs have become a major drain on company profitability.

Companies are finally coming to grips with this problem. Come and hear new insights into controlling and reducing your exposure in this area.

How Paper Merchant Managers Can Use Personal Computers

Should you buy a personal computer for use in your business? That question is facing many paper distribution managers whether their operations are fully computerized or not. Dr. Roger K. Harvey, president of Value, Inc., will help those attending with how to decide whether a personal computer will help them in their day-to-day management responsibilities.

Emphasis will be placed on actual needs, problems, available software, evaluation of hardware available, and application to paper distribution. Also, the question of "how much to spend to get what you need" will be addressed.

Registration Hours:

Friday, September 21:	4:00 p.m. - 8:00 p.m.
Saturday, September 22:	8:00 a.m. - 4:00 p.m.
Sunday, September 23:	9:00 a.m. - 4:00 p.m.
Monday, September 24:	8:00 a.m. - 4:00 p.m.
Tuesday, September 25:	9:00 a.m. - 12 Noon

General Business Session

Lionel W. Eltis is Chairman of the National Paper Trade Association and Chairman of the Board, Consolidated Marketing, Inc., Shreveport, LA.

He started his career at Consolidated at the age of 16 as a truck driver. For the past 50 years, Mr. Eltis has served in many capacities. He is past president of the Southwestern Paper Merchants Association and he has served on the NPTA Board of Directors, and as Chairman of the Education and Training Committee.

Lionel Eltis

Ms. Pace is senior vice president of the American Paper Institute headquartered in New York City. She is a well-known economist who serves on the boards of several major companies. Ms. Pace worked for many years in the field of economics and has been an advisor to presidents. She is a trustee of the Committee for Economic Development and a director of the U.S. Chamber of Commerce.

Norma Pace

Lee Sherman Dreyfus was governor of the State of Wisconsin from 1979-1983. For the 12 years preceeding that, he was president and chancellor of the University of Wisconsin. The Governor is a dynamic speaker who's charisma has captured the imagination of audiences throughout the country.

Lee Dreyfus

Special Events

The Chairman's Luncheon

The highlight of the 1984 Convention will be the Second Annual Chairman's Luncheon with proceeds being used to support the Paper And Plastics Education/Research (PAPER) foundation. And for the first time, the "Stanley O. Styles Industry Excellence" award will be given.

The 1983 luncheon was held in honor of Mr. Styles — a man whose contribution to the paper industry spans 70 years. His selfless dedication brought well over 500 people who paid tribute to the great career of Stan Styles.

The Industry Excellence Award has been named in honor of Stanley O. Styles.

Now, the board of directors of the National Paper Trade Association has instituted the "Stanley O. Styles Industry Excellence" award. It is to be presented at the 1984 Chairman's Luncheon for the first time. Nominations are now being accepted by the Association. The announcement of the award winner will *not* be made public prior to the event.

"Our industry has not had a major award to recognize the important contributions made by its citizens," said NPTA chairman Lionel Eltis. "This award will carry with it the admiration of an entire industry."

Both paper merchants and manufacturers will be eligible to win the award. After nominations are received by NPTA, a board of the Association's officers and directors will make the final selection. "Through secret ballot, no one will know the winner prior to the event but the Association staff," said John J. Buckley Jr., president of NPTA. "The winner will be notified in advance, of course, but we are hoping that the drama of this announcement at the Chairman's Luncheon will generate a great deal of interest and excitement," Mr. Buckley said.

The award itself is now being designed and will be unveiled prior to the event. The Association plans to give the Stan Styles award annually to an industry figure who emulates the qualities of the man for whom the award is named.

Travel to Chicago on ANY airline at a discount

Come to Chicago for the Annual Convention and Exposition from anywhere in the country and **PAY LESS.** NPTA has arranged with Rich Worldwide Travel to provide substantial discounts to meeting attendees. And all you have to do to find out how much you can save is call.

Not limited to certain airlines

What has made Rich Worldwide so successful is its agreements with *all* major airlines. Most travel services make arrangements with just one or two carriers. That would be fine if your city is served by those airlines. If your city is not, you are out of luck.

Rich Worldwide books so many seats each year on so many airlines that they can obtain discounts for NPTA Convention attendees that no other organization can. And all you have to do to find out how much you can save is call.

Act now for best arrangements

Rich Worldwide is the official travel service for the 1984 NPTA Annual Convention and Paper/Plastics and Allied Products Exposition.

Don't wait to make your travel plans. The earlier you can make your arrangements, the better the chances you will be able to get what you want. Arranging early also helps avoid any airline price increases.

Call Toll Free

1-800-431-1130 - nationwide
1-800-942-1915 - New York State
212-828-8190 - New York City

Spouses Program: *Chicago Lifestyles*

Saturday
September 22
12:30 p.m - 2:30 p.m.
Ticket Price: $35.00

Personal Image: Whether we care to admit it or not, personal image is still a part of the American scene. While everyone agrees it's what's inside that really counts, obviously, it's what's outside that shows. The way we look and act can determine our effectiveness and our ability to influence others.

Discover the vibrant beauty that is you during this dynamic presentation by former New York cover girl and NBC Public Relations Director, **Noreen Hinds.** Learn exciting new ways to express your personal style by choosing colors, fashions, hairstyle, and makeup that best compliment your own unique image.

The day's events will begin with a "Welcome to Chicago" multi-media presentation. This exciting slide show will be followed by an elegant luncheon.

Personal Image Workshops: Following the Personal Image presentation, ladies may sign up for a *one-hour analysis of individual coloring, fashion, figure and personality* potential to make the most of their image. (Small groups of 4-6 people per session and there is an additional charge of $25 per person. Arrangements will be made on site.)

Sunday,
September 23
10:30 a.m. - 3:30 p.m.
Ticket Price: $40.00

The Artistic Life: An elegant buffet brunch awaits you at the Lake Point Tower Club overlooking the city from the top of a lakeshore skyscraper. Enjoy your favorite gourmet dishes as you admire the spectacular show.

Following brunch you will have a guided tour of the Art Institute of Chicago, one of the world's most renowned museums. Its treasures include Grant Wood's "American Gothic," Seurat's "Sunday Afternoon on the Island of La Grande Jatte," El Greco's "Assumption of the Virgin," and a collection of Impressionists to rival the Louvre.

You will be particularly delighted by the museum's special exhibit, "Degas in the Art Institute of Chicago," probably the most extensive collection of works in existence by the great French master. On view will be paintings, watercolors, drawings, prints and sculptures from the museum's private collection. You are sure to enjoy this memorable experience unique to Chicago. A special presentation at the Hyatt by a well known Degas expert will add to your enjoyment of the Degas exhibit.

Chicago's Ethnic Heritage: Although a few of the more successful residents have moved to outlying communities, Chicago's internationally famous Chef Louis, owner of the renowned **Bakery Restaurant** has remained.

While most distinguished restaurateurs guard the secrets of their house specialties, Chef Louis invites his guests to partake in the inspiration and expertise that has won the **Bakery** world renown. Chef Louis will share with you some of his special recipes.

Following this presentation you will enjoy an elegant luncheon exclusively planned for guests of the NPTA.

Beyond the loop's towering skyscrapers lies a fascinating tapestry of neighborhoods. Drive through the tree-shaded Mid-North Historic District, view the architectural treasures on Chalmer's Place. Stroll down Alta Vista Terrace, a block of London-like houses straight out of Dickens.

See the mansions on Castlewood Terrace, where legendary stars such as Mary Pickford, Wallace Beery, and Charlie Chaplin lived during the early 1900s.

Monday,
September 24
11:15 a.m. - 3:30 p.m.
Ticket price: $45.00

Festival at the museum

Chicago's fabulous Museum of Science and Industry will belong to NPTA party goers for one memorable evening on Sunday, September 23, 1984, 7:00 p.m. - 11:00 p.m.

This special party, arranged exclusively for NPTA, will allow those attending a leisurely, uncrowded stroll through this magnificent building: Chicago's most popular attraction.

The wide array of exhibits include: A train ride down to a working coal mine, "Yesterday's Main Street," a fairy castle, and much more.

An elegant buffet will be served and a lively Dixieland band will be on hand, cash bars will be provided. A deluxe motorcoach shuttle will provide transportation from the hotel.

The cost for this gala festival is $40 per person. Order tickets now!

The future of electrostatic printing explored at the 1984 Convention

Will the office of the future change the demand for paper?

Experts do not agree on how tomorrow's business office will consume paper. Some have said that much of the paper now being filled will disappear into computers. Others say "hard copy" is a fact of life and no one trusts a computer completely.

So what's a paper merchant to do?

The answer might be to listen to a logical presentation of the facts surrounding the copier and computer issue and gain insight. The NPTA Annual Convention will hold a special session on the future of electrostatic printing: Its potentials and problems.

Paul A. Strassmann, vice president systems applications of the Systems Group of the Xerox Corporation, will present his research findings. Supported by graphics and handout materials, he will make his case for the expansion of paper consumption in the office of the feature. As computers proliferate, so does business output; and so does the need for people to work with paper.

Be on hand Monday, September 24, 1984 at the Hyatt Regency Chicago Hotel for what will prove to be a most insightful presentation for paper industry managers.

Paul A. Strassmann

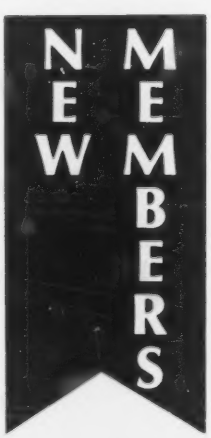
Paul A. Strassmann is vice president of systems applications for the Systems Group of Xerox Corporation, with responsibility for projects involving assessment of the effects of office automation.

Mr. Strassmann was director of administration and information systems for the corporation with world-wide responsibility for all Xerox systems activities. From 1972 to 1976, he served as general manager of its Information Services Division.

In February 1978, Strassmann was named vice president of strategic planning for the Information Products Group, and then in January, 1983, he was named to his present position.

Mr. Strassmann earned an engineering degree from Cooper Union, New York City, and a master's degree in industrial management from the Massachusetts Institute of Technology, Cambridge.

A Special Invitation



In the past year 40 companies have joined the National Paper Trade Association. It is expected that by Convention time there will be others. All who have become members in the past year will be wearing "new member" ribbons at the Annual meeting and all are encouraged to welcome them aboard.

The Association is now made up of 570 firms operating 1600 locations—the greatest number in the 81 year history of the Association. Members of NPTA may be found in every state of the Union and 18 foreign countries.

Reception for new members

All firms which have become members of the National Paper Trade Association in the past year will be sent an invitation to attend a special reception at the Annual Convention. The reception will be hosted by the Chairman of the Board of NPTA, Lionel W. Eltis, on Monday evening, September 24, 1984 in the Hyatt Regency Chicago Hotel.

New members should make plans now to attend this important event.

Young Executives Forum

Young Industry Managers Strive for Excellence

The Young Executives Forum (YEF) is a unique opportunity for all paper distribution industry managers under the age of 40 to sharpen their executive skills. Through networking, seminars programs, and special "Think Away Weekends" young executives develop and enrich their careers.

YEF chairman Jonathan O. Bloom, executive vice president of JB Papers, Inc. has announced a new format for the Annual Convention meeting of the Forum. It has been expanded to provide more time for interaction among participants and the speaker.

Building a winning management team: A key to your success

The 1984 program will begin with a presentation which is open to all Convention attendees. This will be followed by a reception and a closed luncheon where roundtable discussions at each table will be held. This type of working lunch will help YEF participants focus on the main points of speaker's presentation.

The following morning will see young executives coming back together for a champagne breakfast. This will help reinforce the ideas learned the previous day as well as solidify new contacts made.

New Trial Member Program Set

For those companies that did not participate in the 1983 NPTA trial member program, there is another opportunity. The new program will give nonmember paper merchant firms an opportunity to join the Association on a "trial" basis.

For six months, a company may receive the benefits of membership for $49 which is in addition to their nonmember Convention registration fee. It is a small amount which covers the cost of processing the firm's application.

Members are urged to seek out those companies in their area that are not now members of the Association and ask them to take advantage of the new trial member program. Helping the Association in this way will make a big difference in the years to come.

Schedule of Events

Friday, September 21

4:00 p.m. - 8:00 p.m.: Registration

Saturday, September 22

8:00 a.m. - 4:00 p.m.: Registration
9:30 a.m. - 12:00 Noon: New Frontiers in Industrial Paper Distribution
12:30 p.m. - 2:30 p.m.: Spouses Program
12:00 Noon - 5:00 p.m.: Exposition

Sunday, September 23

9:00 a.m. - 4:00 p.m.: Registration
10:00 a.m. - 11:30 a.m.: Computerized Inventory Management
10:00 a.m. - 2:30 p.m.: Building a Winning Management Team (YEF Program)
10:30 a.m. - 3:30 p.m.: Spouses Program
11:00 a.m - 4:00 p.m.: Exposition
7:00 p.m. - 11:00 p.m.: Festival at the Museum of Science and Industry

Monday, September 24

7:30 a.m. - 9:00 a.m.: YEF Breakfast
8:00 a.m .- 4:00 p.m.: Registration
9:00 a.m. - 11:00 a.m.: General Business Session
11:00 a.m. - 11:30 a.m.: NPTA Annual Business Meeting (members only)
11:00 a.m. - 4:00 p.m.: Exposition
11:15 a.m. - 3:30 p.m.: Spouses Program
2:00 p.m. - 3:30 p.m.: The Future of Electrostatic Printing

Tuesday, September 25

9:00 a.m. - 12:00 Noon: Registration
9:00 a.m. - 12:00 Noon: Management Programs:
- Telemarketing
- Health Care Cost Containment
- The Use of Personal Computers

12:00 Noon - 12:30 p.m.: Cash bar reception: Chairman's Luncheon
12:30 p.m. - 2:15 p.m.: Chairman's Luncheon

Management Information

Everything you wanted to know about paper distribution, but didn't know who to ask

What is the size of the market for...?
Do you have recent price indexes for...?
As a new paper distributor, I need some industry norms on...
How are financial measures calculated for...?

Questions like these are just the top of a tall stack of questions posed by member paper merchants to the NPTA Research Department. Each day managers call seeking information that will help them better understand their changing industry.

How does one evaluate a potential acquisition candidate properly? Is there a financial checklist to follow? What is the nature of my end-user base? As a new paper distributor, how do I get industry averages?

The Research Department at NPTA fields all questions to the best of its ability and within the law. Members often look for data to back up IRS audits, current economic indicators, or sales relative to the general economy. They frequently want historical information on sales activity/days outstanding cost of inventory from the Sales Report and recommendations concerning computer software programs.

Members of NPTA expand their information-gathering network by constantly adding new sources of data. The NPTA Research Department attempts to fill merchants information needs. And to do this, the Department taps many sources of information.

- NPTA Performance Analysis Report (part-annually)
- NPTA Paper Merchant Sales Report (monthly)
- NPTA FactBook (annually, in Roster)
- U.S. Census
- U.S. Wholesale price indexes
- Other Associations
  - National Association of Wholesaler-Distributors
  - American Paper Institute
  - International Sanitary Supply Association
  - Single Service Institute
- Newsletters and trade magazines by the dozens
- Other government publications

The result is a wealth of industry and wholesaling information compiled in a library at NPTA headquarters.

What the Research Department has found though is that the answers to most routine questions can be found in the PAR report or *Paper Merchant Performance*. That is the best first place to look.

All requests for information from NPTA members are catalogued and reviewed periodically. This helps the Association track member interest. Topics of high interest are developed into *Management News* articles, publications, seminars or new services.

Notice of services available from MFI

Custom PAR analysis available

A personalized analysis of your firm's 1984 Performance Analysis Report (PAR) can be obtained from NPTA's financial service bureau, Management Foresight, Inc. Personal consultations at MFI headquarters in Columbus, Ohio, at a regional meeting, or at the September Convention can always be arranged.

However, MFI can run a second copy of your PAR report, mark it up with their written analyses, summaries, and conclusions, and record an audio cassette of the analysis. Cost is $325 for the second report and cassette. This may be a good way for members to obtain a personalized consultation without the extra costs associated with travel, lodging, and time.

For more details, please contact: Dr. Peter Mullins, Management Foresight, Inc., 1670 Fishinger Rd., Columbus, OH 43221; (614) 451-2382.

Calendar of Events

June

7. Dynamic Collection Techniques presented by Robert B. Thompson. Sheraton New Orleans, LA. Contact NPTA.

20. Telemarketing - The Key to Maximizing Your Sales Efforts presented by Milton S. Cotter. Marriott Hotel Dallas, Dallas, TX. Contact NPTA.

NPTA provides a new inhouse training program that will enable your salespeople to better understand, develop and penetrate their accounts for maximum results

Why do some of your salespeople develop their accounts more efficiently than others? Recent research shows that most successful salespeople: Have an account plan, understand their clients' needs, know what it is that will make their clients buy.

Obtaining the most from sales opportunities and achieving optimum selling performance are among the primary concerns of salespeople, whether they are experienced or not.

The Account Development Strategies (ADS) program trains people to analyze and understand accounts better, to formulate effective selling strategies, and to use practical and widely applicable tactics during sales calls. These are all used to build commitment for a sale.

ADS (developed by Xerox Learning Systems) is based on the premise that improvements in a salesperson's performance will result from an increased ability to affect or influence the sales process. To achieve its purpose, ADS unifies two basic principles: Need Satisfaction Selling and Strategic Account Planning.

Need satisfaction selling

Need Satisfaction Selling is based on this premise: **When people perceive that they have needs which benefits of a product or service can satisfy, they will be motivated to buy.** To be successful, therefore, the salesperson must be able to identify, understand, address, and satisfy the diverse and changing needs — both organizational and personal — of the decision makers involved in the sales cycle.

Strategic account planning

Strategic Account Planning is based on the relationship between the salesperson and the customer's organization: Rather than merely reacting to situations or occurrences, the salesperson must be able to make certain events happen. If momentum and commitment to the sale are to be built or maintained, **the salesperson must make things happen**.

Many salespeople acquire techniques for improving their selling performance by chance of by "hit or miss" experience. They seldom get the opportunity to study both a conceptual framework for developing accounts and a set of techniques for maximizing the motivation to buy. ADS provides just such an opportunity.

ADS on-site training

NPTA can conduct the first program for up to eight salespeople at your firm. Following the last half-day session (of the two-and-one-half day program), someone on your staff may wish to learn how to conduct these inhouse, on-site training seminars.

The NPTA trainer will explain the step-by-step program of administration for your firm. In addition, NPTA staff members are always available to answer questions you might have.

ADS has most recently and enthusiastically been implemented by Chris Strassburger, director of management development for Distribix, Inc. in Florissant, MO. His comments attest to his company's satisfaction with this dynamic new program.

Strassburger on ADS

With today's competitive selling environment, the salesperson has had to play more of a consultative role to be successful in addressing the needs of the sophisticated buyer. This role demands a good understanding of the strategic side of selling.

This is one of the main reasons Distribix decided to implement the Account Development Strategies program. We felt that for the salespeople to achieve their maximum success with new and current accounts they needed to advance their tactics beyond the basic fundamental selling skills and step-up to learning how to develop strategies. With our prior experience in the Xerox programs, such as PSS and MTT, we were confident that ADS would provide our salespeople that vital, strategic know-how.

Since the entire ADS course deals with the concepts and techniques of strategy development, we thought that our sales managers were the most logical choice to begin the program. They play an active role in working with each salesperson and their accounts. ADS would be an excellent tool for them to use in formulating strategies to grow in those accounts.

The response was overwhelming. They saw immediate, practical benefits that could be applied out in the field. They particularly enjoyed the ADS utilization of team-strategy sessions in the simulations (role plays). This allowed the transfer of the program's skills and techniques to a real world situation where sales management and the salespeople confer on the strategies to use in meeting a customer's needs. Now with the positive support of management, we will be moving forward with ADS throughout the Distribix Organization.

Actual framework for ADS

Prework:

- Identify and confirm the key events of the sales cycle.
- How to set sales call objectives.
- Plus and minus factors and how they affect the outcome of a call.
- Customer Feedback Questionnaire: A unique device whereby the customers evaluate the salesperson and the results are interpreted at the seminar.

Organizational Needs:

- How to recognize various organizational concerns: Finance, performance, and image needs that have a major impact on influencing the buying decisions of an account.

Tactical Probing:

- Positioning the call so you can "earn the right" to continue searching for areas of need.
- Reanalysis of your selling approach by reviewing an account's feedback.
- Determining the existence of conditions and problems in an account for background information.

Personal Needs:

- Recognizing how the customer's personal needs (power, achievement, recognition, affiliation, order, and safety) influence his behavior and attitude toward buying decisions.

Handling Obstacles:

- The definition of an obstacle and methods to overcome it so an agreement can be reached for both parties to develop a win-win relationship.

ADS is not designed for the new, inexperienced salesperson. It is a more advanced system of selling. Our sales professionals must meet our criteria of being a graduate of PSS and have been in the field selling a minimum of three years.

Another additional feature with ADS is the self-instructional, follow-up module included in each participant's kit. This allows the individual to continue practicing the skills after returning to their territories. It also provides a useful tool for sales management in a coaching session.

Now that we have management's commitment to ADS and have seen how it teaches us to take an *active* role in dealing with our customers' decision-making processes rather than just *reacting* to the factors in a sales cycle, our benefits can be unlimited.

Need more information?

Contact: Bruce Linden, Director of Education and Training, NPTA headquarters, (516) 829-3070.

Chairman's Corner

LIONEL ELTIS
NPTA's Chairman of the Board

Join us in Chicago

One of the many advantages that your membership in the National Paper Trade Association offers you is the Annual Convention. In my opinion, this is the highlight of the year for the Association and the membership. It offers our members an opportunity to meet, in a legal forum, in order to exchange information, receive new ideas and visit the largest Exposition dedicated to the paper merchant's business held anywhere in the world.

You realize that many foreign members make a trip to the Convention, and one of their prime reasons for attending is to view our exposition hall. Sometimes we find a lot more than we are looking for. If we get *one* good idea out of the Exposition, it is worth the cost and the time taken for the entire trip.

Our theme this year, "Strive for Excellence," will be carried out in our programming to help you gain new ideas and new insights into the management and operations of your business.

I urge you to start your planning now to attend our Convention in September in Chicago. I would like to suggest that you plan on bringing some of your middle management people with you in addition to the key personnel that usually attend. If you can remember back to how excited you were the first time you were given an opportunity to attend the NPTA Annual Convention, you will know the reason I say this. A trip to the Convention for your middle management people could be one of the best motivational programs you could offer.

The NPTA committees and board of directors met during the week of April 9th to finalize the plans and programs for this year's annual meeting. We will have outstanding speakers and seminars presenting subjects that are timely and important.

You will be able to pick up fresh ideas to implement or consider new techniques to help you. Paper merchants must continue to be the dominant factor in the distribution of these products. Plan now, mark your calendar for September 22nd through the 25th for our Annual Convention and Exposition to be held at the Hyatt Regency Hotel in Chicago. I'll see you there!

Paper Merchant Sales Report — April, 1984

	NPTA REGIONS	SALES PER SELLING DAY APRIL 1984 -COMPARED TO- APRIL 1983	SALES PER SELLING DAY APRIL 1984 -COMPARED TO- MARCH 1984	SALES PER SELLING DAY 1984 YEAR-TO-DATE -COMPARED TO- 1983 YEAR-TO-DATE	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF APRIL 1983	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF APRIL 1984	CALENDAR DAYS' COST* OF ENDING MARCH INVENTORY 1983	CALENDAR DAYS' COST* OF ENDING MARCH INVENTORY 1984
INDUSTRIAL	1	+13.5%	+ 0.8%	+13.4%	38	42	59	--
	2	+19.7%	+ 4.2%	+15.0%	33	35	56	51
	3	+10.3%	- 5.0%	+12.5%	32	36	56	64
	4	+18.0%	+ 0.9%	+19.4%	32	37	53	62
	5	+11.6%	+ 1.5%	+10.0%	30	34	61	64
	6	+14.5%	+ 1.5%	+13.1%	36	38	56	--
	7	+ 1.8%	+ 1.3%	+ 1.7%	35	37	61	--
	NY METRO	+12.8%	+ 1.3%	+ 8.0%	50	42	37	--
	CHICAGO METRO	+15.3%	- 1.3%	+20.5%	41	35	59	--
	LA METRO	+10.8%	+ 0.9%	+11.8%	44	50	60	61
	US	+13.0%	+ 0.1%	+13.2%	35	38	55	60
PRINTING	1	+40.8%	- 1.4%	+38.9%	51	48	55	--
	2	+53.6%	- 2.8%	+34.4%	41	44	61	57
	3	+27.1%	- 8.1%	+31.6%	42	41	78	80
	4	+37.9%	+ 4.4%	+29.8%	42	42	67	69
	5	+31.0%	+ 1.8%	+28.9%	41	43	84	81
	6	+28.3%	+ 0.0%	+28.6%	40	39	60	--
	7	+28.1%	- 4.0%	+25.9%	37	40	74	75
	NY METRO	+40.7%	+ 1.3%	+44.9%	43	41	55	--
	CHICAGO METRO	+13.5%	- 4.2%	+22.2%	44	41	59	--
	LA METRO	+32.4%	+ 2.7%	+30.4%	37	44	73	78
	US	+32.4%	- 0.8%	+32.0%	42	42	68	73

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost. Eg. 365/73 = 5.00x.

CORRECTION: NUMBERS IN THE FIRST THREE COLUMNS OF THE JANUARY, 1984 SALES REPORT SHOWED INCORRECT PERCENT CHANGES IN SALES PER SELLING DAY. THE DECIMAL POINT SHOULD HAVE BEEN MOVED ONE DIGIT TO THE RIGHT (i.e. 1.3% BECOMES 13.0%). THIS APPLIES TO ALL REGIONS, PRINTING AND INDUSTRIAL.

Region 1 CT, ME, MA, NH, RI & VT
Region 2 DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3 AL, FL, GA, NC, SC, TN & VA
Region 4 IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5 CO, IA, KS, MN, MT, NE, ND SD, WY
Region 6 AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7 AR, LA, MS, OK & TX

NY Metro: NY: New York City, Long Island and Westchester Co.
NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos.
IN: Lake Co.

LA Metro: Cities: Los Angeles, and San Diego
Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

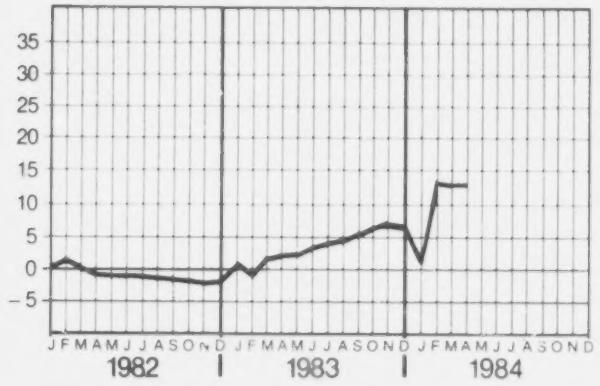
The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

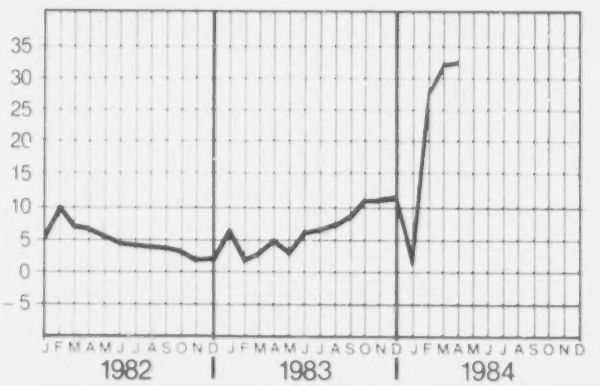
Paper Merchant Sales Report
Summary National Trend Information: 1982 to present

SALES INFORMATION: YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY.

INDUSTRIAL PAPER SALES NATIONALLY

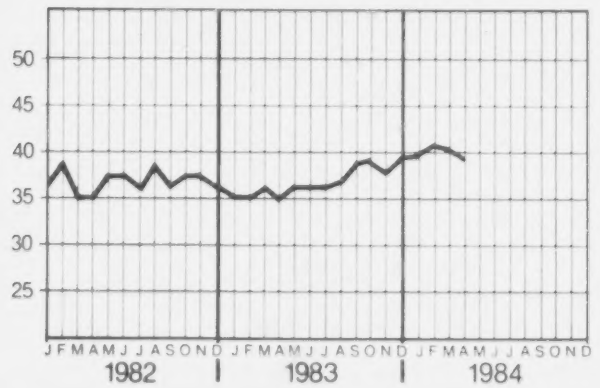


PRINTING PAPER SALES NATIONALLY

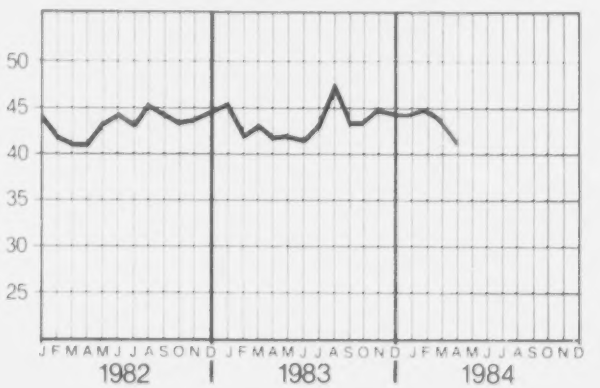


RECEIVABLES INFORMATION: DAYS OUTSTANDING FOR ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



PRINTING PAPER RECEIVABLES NATIONALLY



INVENTORY INFORMATION: CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY

PRINTING PAPER INVENTORY NATIONALLY

Proposed building depreciation change would harm wholesaler-distributors

The small business community is concerned about proposals by the Senate Finance and House Ways and Means Committees and even the Treasury Department to extend the 15-year Accelerated Cost Recovery System (ACRS) category for buildings to 20 years as a means of raising federal revenues.

Tampering with current ACRS provisions would raise only minimal revenues, and at tremendous cost to the economy in terms of depressed investment and decreased cash flow for capital improvements by small business, states the National Association of Wholesaler-Distributors (NAW).

The impact on the wholesale distribution industry would be particularly significant. States a wholesaler from Pennsylvania: "1983 was my company's best year ever, despite the difficult economic times, and that success was achieved only because ACRS made it possible for me to significantly improve and expand my warehouse. The ultimate result was dozens of new jobs."

Background

Wholesaler-distributors and other service industries fought for and gained the 15-year ACRS system, a major victory, under the 1981 Economic Recovery Tax Act (ERTA) on the grounds that it would stimulate investment and reduce the effects of inflation on the taxation of business. Pre-ERTA law was designed to allocate depreciation deductions over the period the asset was used in business so that deductions for the cost of an asset were matched with the income produced by the asset. Under conditions of sustained inflation, however, capital recovery was increasingly deficient under this system.

The principal method used to determine useful lives for personal property was the Asset Depreciation Range (ADR) system. For assets not eligible for ADR, and for taxpayers who did not elect ADR, useful lives were determined according to the facts and circumstances pertaining to each asset or by agreement between the taxpayer and the IRS.

For structures, IRS guideline lives ranged from 40 to 60 years, but actual lives claimed under the facts and circumstances approach could be shorter (37 years in the case of wholesaler-distributor warehouses). Warehouses could be depreciated using a 150% declining balance method or the straight-line method and wholesaler-distributors could use different lives for each separate component of a building, such as plumbing, wiring, etc., (component depreciation) or use a single life for the building and all components (composite depreciation).

Tampering with current ACRS provisions would raise only minimal revenues, and at tremendous cost...

The cash flow increase, over prior law, to the wholesaler-distributor who purchases or builds a new warehouse is enormous. For example, on a $1,000,000 warehouse, a wholesaler-distributor can recover 38%, or $380,000 of the investment in 4 years under ACRS. Less than 12% was recovered after 4 years under prior law. Over the entire 15-year period, 110% of the total investment is recovered under ACRS, while only 50% was recovered by this point under previous depreciation methods. This translates into a $600,000 cash flow increase on a $1,000,000 investment in the first 15 years. In short, the present ACRS makes it possible to finance modernization and expansion of facilities which would otherwise be foregone.

"A Closed Matter..."

Depreciation reform has been a major NAW legislative priority since 1975 when the first accelerated depreciation bill was introduced with NAW support.

NAW Vice President-Government Relations Nick Calio recently told leading Senate, House and Administration officials: "We thought that the ACRS for buildings was, rightfully, a closed matter. NAW and its members believe that the issue *should* be closed. The 15-year category for buildings is the only financially significant feature of ACRS for wholesaler-distributors, as well as the overwhelming majority of other non-manufacturing businesses which tend to acquire and hold their buildings for a long period of time."

The present ACRS system is not only good for the wholesaler-distributors who use it, but for the economy in general. It provides wholesaler-distributors with the systematic capability to replenish capital stock and, thus, to finance modernization and expansion.

Finally, modification of ACRS for buildings would have its greatest impact on industries, like wholesale distribution, which already pay high effective federal income tax rates. Such a result is plainly unfair given the existing disparity in tax burdens.

Are you busy October 6-9, 1990?

The National Paper Trade Association wants to know. Its board of directors has just approved its Annual Convention schedule through 1990 which contains a few surprises.

"Members have expressed a lot of interest in moving the Convention around the country. New locations for our annual meeting will add excitement," said the NPTA chairman of the board Lionel Eltis. "As a service to our members throughout the country, the board felt it was time to bring the meeting to the people."

Planning a convention for 6,000 people years in advance requires a bit of work. Cities as possible sites must be investigated, hotel proposals must be reviewed, and sites visited before appropriate cities and dates could be considered by the board. The board deliberated and made its final selection.

"It is always dangerous to change the ingredients of a successful event. The Annual Convention has been the cornerstone of NPTA activities for over 80 years. So why tamper with it?" asked John J. Buckley, Jr., president of NPTA.

"The Convention has changed little during the past 25 years. Time has come to look closely at the nature and purpose of our annual meeting," said Mr. Buckley. "We must know whether it is meeting both merchant and supplier objectives."

As the premier event of the year for paper people, the NPTA Annual Convention has always been the focal point of attention. The Association has felt it should constantly provide a forum that will best serve the industry. John J. Buckley, Jr., asked, "Are there things that might be done to improve the comfort, enjoyment and ease of information exchange that underlies our Convention concept?"

The first step in the re-evaluation of the Convention was the selection of new sites. After that, an assessment of the interest of those who come to the meeting year in and year out. Comments and suggestions which might help improve this important annual event should be directed to NPTA president John J. Buckley, Jr.

Future Meetings

Dates		Cities	Hotels
1985	October 5-8	New York, New York	New York Hilton, Sheraton Centre
1986	September 13-16	Boston, Massachusetts	Sheraton-Boston, Marriott Copley Place
1987	September 19-22	Atlanta, Georgia	Westin Peachtree Plaza, Atlanta Marriott Marquis
1988	September 17-20	Chicago, Illinois	Hyatt Regency Chicago
1989	October 28-31	Anaheim, California	Anaheim Mariott, Anaheim Hilton
1990	October 6-9	Chicago, Illinois	Hyatt Regency Chicago

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NPTA

MANAGEMENT NEWS

July, 1984

Highlights

Mead Merchants has new president

John W. Herbert has been elected president of Mead Merchants. He replaces Charles W. Joiner who moves to a new spot within the corporation. (P. 3)

Manufacturing Clause at issue again

The Manufacturing Clause of the U.S. Copyright Law states that material must be printed in the U.S. to receive copyright protection. The clause extension will run out shortly. What will the impact be for the printing trades? (P. 4)

Preliminary PAR findings

Here are the summary findings of the most extensive survey of the paper trade. The data base includes $7 billion in gross annual sales. (P. 6)

The role of the sales manager

Does a good salesperson make a good manager? What are the skills that every sales manager should have? This special "Dimensions in Training" feature explores the issue in two parts. (P. 11)

Size standard for small business will remain

A victory for wholesalers! After much protest, the SBA will maintain the 500 employee size standard threshold. (P. 15)

$1 million endowed chair program is launched by the PAPER Foundation

In a bold move to improve the quality of long range research in the paper distribution industry, the PAPER Foundation has established an endowment program at the University of North Florida. Fund raising has begun. (P. 16)

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Route To:

News of Paper Trade Activities

People in the News

Barry Yagnesak has been appointed corporate purchasing manager of Alling and Cory, and **Kenneth Keppner** was named corporate industrial purchasing manager.

Brian R. Ripley has been promoted to branch manager of Butler Paper Company's facility in Rochester, MN. **Tom Myers** was named branch manager of the company's Terre Haute, IN operation. **Chip Moser** has been promoted to sales manager of Butler's distribution center in St. Louis, MO.

Richard J. Greene has been named vice president of sales at Paper Enterprises in NY.

Robert E. McClafferty has joined the Morris Paper Company as credit manager of its Pittsburgh operation. **Robert L. Mays** has been appointed marketing manager, packaging products; **Donald P. Stocklein** has been promoted to marketing manager, industrial supplies and business papers; and **Frank Foley** has joined the Iron City Wiping Materials division of Morris Paper Company as sales manager.

David Shapiro has been appointed group development manager for Georgia-Pacific's Commercial Products & Systems Division. **Robert S. Carter** was named director of sales for the group.

Shirley-Jean Frick was named advertising manager of Gilbert Paper.

William Seymour, III was elected chairman of Crystal Tissue and succeeds the late W. Bender. Mr. Seymour will continue as president and CEO.

Georgia-Pacific makes acquisition of St. Regis assets

Georgia-Pacific Corp.'s agreement to acquire assets from St. Regis Corp. marks the achievement of G-P's stated intention to add linerboard capacity in the eastern part of the nation. The transaction will also advance the company's strategy to grow in the corrugated container sector and to balance its building products business with additional assets in the paper industry.

The two companies earlier announced that they had entered into a definitive agreement under which Georgia-Pacific would purchase St. Regis' linerboard and kraft paper mill at Monticello, MS, its domestic Container Division, consisting of 16 corrugated container plants, related timberlands and cutting contracts, and certain current assets related to these operations.

In connection with the transaction, Georgia-Pacific has acquired 2.7 million shares of St. Regis common stock and 15,000 shares of convertible exchangeable preferred stock (approximately 8.5% of St. Regis' outstanding common stock) from Loews Corp. and one of its insurance subsidiaries for $124.5 million in cash and $27.7 million in a non-interest-bearing note, payable in 3½ years. St. Regis has the right to call the stock at any time during a 5-year period in exchange for extinguishment of the $110-million note it received as part payment for the assets. Also, Georgia-Pacific has the right to exchange the stock for extinguishment of the note at the end of that period.

"This is an excellent strategic acquisition for Georgia-Pacific and continues our growth in a core business area where we have enjoyed substantial success," T. Marshall Hahn, Jr., chairman and chief executive officer, said. "We have stated for some time that we planned to add linerboard capacity in the eastern United States where we currently have none. The Monticello mill fulfills that objective by providing us with modern, world-scale facilities and excellent timberlands as well.

"This move adds to the eastern expansion we initiated in 1981 when we acquired nine corrugated container facilities east of the Rockies. The 16 additional St. Regis plants will complement our existing productive capacity and allow us better to develop our potential on a national basis."

Late last year, Georgia-Pacific announced a $45 million upgrade of its container operations to move itself further into higher-margin specialty containers, Hahn noted.

"The container business has been an excellent sector for Georgia-Pacific and we're delighted to have the opportunity for further progress with some first-class assets," he added. "Linerboard markets have strengthened substantially this year and the outlook for the next few years appears very positive," said Hahn.

"The sale of the Monticello kraft paper mill, the related timberlands and cutting contracts in Mississippi, and the sixteen domestic container plants to Georgia-Pacific Corporation is a further move toward rationalization of the overall business thrust of St. Regis," said St. Regis CEO William R. Haselton. "Also, the fact that a substantial block of St. Regis stock will be held for five years by Georgia-Pacific, under agreed-upon conditions, provides additional assurance that St. Regis will achieve the earnings goals of our long-term strategic plan," he said.

"In addition to a reduction in bank borrowing, the additional capital obtained from the transaction may be employed to accelerate the schedule of previously announced plans for an additional lightweight coated printing paper machine, plus possible acquisitions in other white paper areas and in consumer credit insurance and financial services, all of which have been highly profitable for the company," said Haselton.

"This opportunity to monetize our timberlands and re-orient the business of St. Regis will permit the company and its shareholders to secure a greater return on overall corporate assets.

"The company has no plans to sell its kraft facilities in Pensacola, Florida, or Tacoma, Washington, or its multiwall bag division operations," concluded Haselton.

Ris Paper acquires Diem & Wing

Ris Paper Company, one of the east's leading fine paper distributors, and Diem & Wing Paper Company, a highly regarded paper merchant in the Midwest, have reached an Agreement in Principal whereby Ris will acquire Diem & Wing. The announcement was made by Howard C. Ris, chairman and chief executive officer of Ris Paper and P.A. Stuhlreyer, Jr., chairman of Diem & Wing.

According to the terms of the agreement, Diem & Wing will operate as a wholly owned subsidiary of Ris, with John B. Schneider continuing as president and chief executive officer of Diem & Wing. He will also become a member of the board of directors at Ris Paper.

Commenting on the announcement, Benjamin W. Krieger, president and chief operating office of Ris, noted: "This is truly an exciting occasion for everyone associated with both companies. One of my major responsibilities as president is to develop a comprehensive and aggressive plan for internal growth, as well as the acquisition of well managed, quality merchants in other geographical markets. Diem & Wing meets that criteria as one of the finest merchants in its market area, and we enthusiastically welcome them aboard."

Stated Schneider: "We are delighted to be joining such a dynamic, growth-oriented company. Diem & Wing is now stronger than ever before and, therefore, better able to serve the growing needs of our customers and our mill sources in the markets we serve."

Ris Paper Company was founded over fifty years ago and, in recent years, has grown to include twelve branches in the eastern corridor from Maine to Virginia with a sales office in Dallas, TX. Diem & Wing Paper Company was founded in 1881, and has warehouses and offices in Cincinnati, Dayton, Columbus, Indianapolis and South Bend (the latter two operate under the tradename of C.P. Lesh).

Canover acquires Kirchheimer Brothers

Canover Industries has acquired the Kirchheimer Brothers Company of Schiller Park and Chicago, IL. The Kirchheimer acquisition will add decorative merchandise bags, printed gift wrap and florist papers to lines of paper products manufactured by Canover.

Herbert replaces Joiner as president of Mead Merchants

John W. Herbert, corporate group vice president for Mead Corporation's Consumer and Distribution group, has assumed the additional duties of president, Mead Merchants. The change follows the assignment of Mead Merchants division president Charles W. Joiner to develop strategies and to commercialize a new family of products for Mead Research.

Mead Merchants encompasses 36 distribution locations grouped into six geographic areas. Mead Merchants' area presidents and division staff will now report directly to Herbert.

Joining Mead Paper in 1948, Herbert has held a number of sales and sales management posts. He was named vice president in 1963 and president of the Mead Paper division in 1970. He was executive vice president of all divisions within the Paper group from 1974 until 1976 when he was appointed president, Mead Printing & Writing Paper division.

John W. Herbert

In 1981 Herbert was named group vice president, Consumer and Distribution, with responsibility for Mead Merchants, and Mead Products, the company's school, home-office and stationery business.

In his new post, Joiner has the responsibility of introducing products which will utilize Mead's micro encapulation technology in image reproduction. He joined Mead Merchants in 1981 after 14 years with Chrysler Corporation. At Chrysler he was general manager of its supply division. He had been president of Mead Merchants for the past two years.

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Merchant Briefings

Printing Paper

Printers look at the first quarter paper supply situation

During the First Quarter, overall printing industry inventory increased by 1.8 days to an estimated 30.5 days paper on-hand in printers' plants and warehouses. The Second Quarter outlook is for stable to fractionally increasing printer publisher paper supply levels.

Here are some of the additional details about First Quarter activity reported by the National Association of Printers and Lithographers in their "Quarterly Printing Industry Business Indicator Report."

- 1.8 days of paper on-hand increase represented a 6.3% rise over Fourth Quarter 1983
- 38% of reporting printers increased their paper inventories
- 22% reduced paper inventories
- 40% reported no charge
- 44% said paper was less available
- 6% maintained that paper was more available
- Some printers admit to "double ordering" by placing basically the same order with two or more merchants
- Some said that ordering cycles for certain grades has more than doubled
- Printers complained that the availability of discounted seconds has all but disappeared
- Some printers felt that the "overnight order" from the merchant is a thing of the past.

Will saddle stitching become obsolete in five years?

Don Maloney thinks so.

He is director of commercial products for Harris Bindery Systems. Maloney spoke at the Binding Industries of America's 30th annual convention in Dorado, Puerto Rico. His comments, reported in the *American Printer Market Letter*, outlined the advantages of adhesives over saddle stitching:

"...in terms of size, thickness and speed, paper savings, layout production advantages for the printer, gimmick and attention getters for the publisher and advertiser - and the possibilities it allows for complete automation because of the necessity of opening a signature no longer exists, it is unparalleled."

Maloney contends that the marketing and production advantages of adhesive binding were being lost to the makeready advantages of saddle stitching. His company hopes to change that. Their new "zero makeready" adhesive binding system produces 5,000 pieces per hour.

Industry drafts manufacturing clause proposal

The Manufacturing Clause of the Copyright Law provides that in exchange for full U.S. copyright protection works by an American author in the English language must be printed in the U.S. The Clause is limited to "preponderantly non-dramatic literary works" - which means books, periodicals and other copyrighted works containing more words than pictures.

A legislative proposal to gain a further extension of the Manufacturing Clause of the Copyright Law has been prepared by Printing Industries of America (PIA), and efforts are underway to identify a sponsor in the House of Representatives. The PIA proposal would provide for an indefinite extension of the Manufacturing Clause; however, individual countries may apply for an exemption to the United States. In order to be certified for an exemption, the individual country must demonstrate that it has both substantially reduced its barrier to U.S. printing trade and agreed to recognize U.S. and international copyright conventions. In other words, any country that maintains trade barriers which unfairly discriminates against U.S. printers or fails to take action against copyright violators would continue to be covered by the Manufacturing Clause.

The PIA Government Affairs staff and representatives of book manufacturing companies have met recently with House Trade Subcommittee Chairman, Sam Gibbons (D-FL), and the ranking Republican on the Trade Subcommittee, Bill Frenzel (MN), to discuss the new approach. Both members have reacted positively, reports PIA, although both Gibbons and Frenzel opposed the Manufacturing Clause extension in 1982. Efforts are underway to meet with Bob Kastenmeier (D-WI), Chairman of the Courts Subcommittee which is responsible for the oversight of the nation's copyright laws.

Industrial Paper

Computer care a new area for paper merchants

While the age of the sterile computer room has about passed, the need for care and proper maintenance of this very expensive and important part of the operation continues. The market for maintenance supplies in this area has grown steadily, due to the growth of the mini and micro computer for use in small businesses and the main frame type systems for larger organizations.

The marketing of products in a "full-care service package" for computers has become a most lucrative area for merchants already carrying janitorial supplies.

One application is the use of solvent cleaners for dissolving grease and oil. This eliminates the need for the costly disassembling of the components. Other products include a non-abrasive silicone for use on CRTs which reduces dust build-up, scratches and fingerprints and oils on the screen. There are many types of tape unit cleaners which are used for precision cleaning of tape transport components and printing components. Also needed are various wipes for general cleaning purposes.

Generally, what is meant by "full service" includes the maintenance of the computer bay and all CRTs connected to it as well as the rooms housing the central processing unit and disc drives to keep them as free from dust and moisture as possible. There are also daily maintenance supplies for use by operators and general janitorial supply personnel. These include cleansers for keyboards and CRT screens, and dehumidifier filters.

An additional tie-in to adding this service is the sale of computer paper, general janitorial supply (towels, toilet tissue, etc.) to new accounts who may be unaware of these additional product lines.

Broken drinking glass injury rate up 25%

A dramatic increase in the number of injuries caused by broken drinking glasses from 1981-1982 was 25% according to the National Electronic Injury Surveillance System (NEISS) of the Consumer Product Safety Commission. As reported by the Single Service Institute, 1982 saw the estimated number of injuries shoot up from 80,421 in 1981 to 100,019. NEISS officials have reported that 1983 will show injuries climb over 105,000.

NEISS estimates are statistical projections from actual cases recorded from a sampling of hospital emergency rooms across the country.

It is clear from this trend that the use of glass continues to be a hazard for drinking. Paper and plastic alternatives could reduce this injury rate substantially if purchasers are aware of the risk factor presented by glass drinking containers. Merchants can use these figures when selling paper and plastic cups. In addition to their safety, single use containers are more sanitary.

The paper vs. plastic bag question is still at issue

A tight oil situation begat higher prices for petroleum products, which begat increased costs for plastic bags. Of course, that has changed.

The *Wall Street Journal* reports that plastic bag manufacturers are again aiming at the paper grocery food sack. They claim to be gaining ground due to the price stabilization of oil and the increased cost of kraft.

As evidence, some major grocery chains have switched to plastic, at least partially. In the past 10 years, Canada has seen 50-60% of its paper sacks replaced by plastic. At present, U.S. grocers still prefer and use paper 10 to 1.

Trends come and go, but the advantages of a stiff paper sack are hard to beat. Then what's all the fuss about? $500 million are spent each year on this one particular item!

Industrial Paper Division convention program

This year's Industrial Paper Program will be split into two separate parts. The first deals with new advances in computer technology for merchants, and the second is on the industrial paper merchant's role in janitorial supply. The umbrella title for both programs will be **The New Frontiers in Industrial Paper Distribution.**

Don't miss what will be a very dynamic program for all distributors of Industrial and Allied Products, Saturday, September 22, 1984 at the Hyatt Regency Chicago Hotel.

Merchants Recover with Strong Sales Gains

Did You Beat the Averages?

Overall Summary

The 1984 Performance Analysis Report (PAR) for calendar year 1983 reporting on paper merchant operations represented nearly $7 billion of printing and industrial sales. This is a substantial 10.9% increase over last year's sales volume represented by the PAR survey. Over 51% of survey respondents' total sales was accounted for by printing paper merchants, and over 19% for industrial survey participants, both five-year highs. Conversely, the dual merchant's share slipped to about 30% of total sales represented.

The Average Firm

The "average" printing, industrial and dual paper merchant is constructed here by analyzing key performance measures for 1982 and 1983. Your operation may differ from regional or national averages, however, it **is** useful to compare your results with these industry "yardsticks" to see how well your company has performed. **Median** figures have been used for all data, meaning that 50% of the companies are below this number, 50% above. Whenever possible, reference is made to specific regions or to upper and lower quartile groups. (The *upper* quartile value is the figure one-quarter of the way down from the very strongest number. It is the figure halfway between the very strongest and the median value. The *lower* quartile figure is one-quarter up from the very weakest ratio. It is the figure halfway between the median and the weakest value.)

Sales

PAR results indicate that merchants continued to recover from the 1982 recession. They posted 1983 sales gains substantially higher than those reported in 1982 and have outpaced the increases in the Bureau of Labor Statistics (BLS) producer price indexes for printing paper (+3.1%) and industrial paper (+1.2%).

The highest median net sales volume of survey respondents was for **printing** houses, up 7.6% to $18.18 million. Second highest net sales were for **dual** houses, up 20% to $15.05 million. Median sales volume for **industrial** houses was up sharply, 30% to $9.73 million. Sales personnel productivity is measured by company sales generated per outside sales rep versus his/her total compensation. This was also up strongly. In **all three** merchant classifications, sales per outside sales rep rose faster than that person's compensation.

Profitability

All three merchant groups cut their total operating expenses (as % gross profit). **Warehouse** gross margins (as % warehouse sales) were down slightly for all groups except dual merchants' industrial paper business. **Direct** gross margins (as % direct sales) were down slightly for all groups except dual merchants' industrial paper business. **Direct** gross margins (as % direct sales) were down slightly for printing merchants and dual merchants' printing paper business. Direct margins were up slightly for industrial merchants and dual merchants' industrial business. **Indirect** gross margins (as % indirect sales) were up significantly for printing merchants, and up slightly for the industrial side of dual merchant operations. Indirect margins were down slightly for industrial houses, and held steady for the printing side of dual operations.

Net profits before taxes (as % net sale) were improved across-the-board during 1983.

Inventory & Receivables

Inventory turnover was higher in 1983 for industrial merchants (7.51X per year), and on the printing paper side of the average dual house (4.98X). Turnover fell for printing merchants (4.84X) and the industrial side of the average dual house.

Printing and industrial paper merchants cut their average collection period (days of receivables), but this performance measure was up slightly for industrial merchants.

The *average* printing paper merchant did about $18 million in net sales for 1983. There was quite a spread in sales gains between the lower quartile group (+2.11%) and the upper quartile firms (+19.47%). Larger firms also registered much higher sales gains.

THE AVERAGE PRINTING PAPER MERCHANT

(MEDIAN MEASURES)	1982	1983	Your Firm
Total Net Sales ($000)	$16,895	$18,182	
Percent Sales Change Over Prior Year (%)	4.27	11.21	
Total Operating Expenses As % Gross Profit (%)	87.95	86.13	
Warehouse P.P. Gross Margin As % Warehouse P.P. Sales (%)	21.27	23.94	
Direct P.P. Gross Margin As % Direct P.P. Sales (%)	7.15	6.84	
Indirect P.P. Gross Margin As % Indirect P.P. Sales (%)	16.75	18.19	
Net Profit Before Taxes As % Net Sales (%)	1.71	2.14	
P.P. Inventory Turnover (Whse. Only, X)	5.05	4.84	
Days Sales in Accts. Receivable Nov. 30 (Days)	43.12	42.51	
*Sales Per Outside Sales Rep ($)	$1,161,000	$1,217,000	
*Avg. Pay & Travel Exp. Per Outside Sales Rep ($)	$43,420	$41,450	

*Including Supervisors

Printing merchants' sales reps generated an average of $1.2 million (up 4.8%), while earning $41,450. Moderate gains in net sales per employee were enjoyed, with the best performance being registered in NPTA region 4—up 14.4% (refer to page 13 for regional breakdowns).

Warehouse gross margins overall ranged from 22.09% - 25.62% (lower vs. upper quartile groups), for a median figure of 23.94%. NPTA region 5 firms enjoyed the highest warehouse margins at 26.35%. **Indirect** gross margins ranged from 16.08% - 20.33% overall, for a median figure of 18.19%. **Direct** gross margins ranged from 6.02% - 7.88%, with a median figure of 6.84%. NPTA regions 2 and 6 surpassed that number. Generally, *smaller* firms had higher direct printing paper margins.

For warehouse inventory, NPTA region 2 firms had a significantly higher turnover than the average firm, 6.08 versus 4.84 times per year.

The *average* industrial paper merchant sold $9.7 million of product in 1983. The median sales increase was 7.98%, ranging from 1.97% for the lower quartile group to 15.69% for the upper group. The smallest firms (under $3 million in sales) had the biggest sales gains (11.6%). In general, industrial merchants within NPTA regions 2 and 7 fared less well.

The *average* industrial sales rep sold $639,000 of product in 1983, up 16% over last year, while earning $35,960 (up 11.5%). Sales per sales rep rose steadily with company size. NPTA region 2 reps sold significantly more than this median figure, $784,000.

Warehouse gross margins overall ranged from 21.91% - 26.95% for lower-upper quartile groups. NPTA region 6 firms and those in the sales volume class of $3-6 million had highest median warehouse margins. **Direct** margins ranged from 10.52% - 17.43%. Smaller firms had the highest margins here, and NPTA region 6 firms far surpassed the median figure of 13.15% with 18.81%. **Indirect** margins ranged from 18.28% - 27.02%, with the median being 24.72%.

For warehouse inventory turnover, region 4 merchants and those in the $12-25 million sales class had the highest rates, 8.20 and 8.59 times yearly, versus a median 7.51 times.

The *average* dual merchant generated $15 million in 1983 net sales. Generally speaking, the larger firms had bigger sales increases. The typical dual merchant's outside sales rep sold $969,000 worth of product (up 12.7%) and earned $40,950. Net sales per employee were up the most in region 2, 34.6%. While salesmen's compensation rose 9.4%, the sales they produced rose **12.7%** overall.

On the printing paper side of their business, sales were up sharply from 1982 results, for both direct and warehouse & indirect sales. Gross margins were down slightly across-the-board. Inventory turnover rose marginally, to 4.98 turns per year.

For the industrial side, sales gains were less robust, 2.8% warehouse & indirect and 3.5% direct. Warehouse gross margins rose slightly to 21.69% of warehouse sales, as did direct margins (to 13.75%), and indirect margins (to 20.93%). NPTA region 3 dual firms had much higher median direct margins (16.28%), as did firms with sales under $4 million (16.19%).

EDITOR'S NOTE: 1983 PAR data is very comprehensive and could never be covered adequately in one article alone. We will be publishing more and different financial statistics in upcoming issues. If more information on a specific measure is needed (by region, sales volume, quartile or ROTA—Return On Total Assets group), please call the NPTA Research Director. *Paper Merchant Performance* will be mailed to members in July, and will contain a wealth of PAR statistics and analyses.

THE AVERAGE INDUSTRIAL PAPER MERCHANT

(MEDIAN MEASURES)	1982	1983	Your Firm
Total Net Sales ($000)	$7,448	$9,730	
Percent Sales Change Over Prior Year (%)	2.41	7.98	
Total Operating Expenses As % Gross Profit (%)	92.87	91.22	
Warehouse I.P. Gross Margin As % Warehouse I.P. Sales (%)	21.31	21.02	
Direct I.P. Gross Margin As % Direct I.P. Sales (%)	12.29	13.15	
Indirect I.P. Gross Margin As % Indirect I.P. Sales (%)	25.51	21.72	
Net Profit Before Taxes As % Net Sales (%)	1.56	2.27	
I.P. Inventory Turnover (Whse. Only, X)	7.40	7.51	
Days Sales in Accts. Receivable Nov. 30 (Days)	34.90	35.66	
*Sales Per Outside Sales Rep ($)	$551,000	$639,000	
*Avg. Pay & Travel Exp. Per Outside Sales Rep ($)	$32,260	$35,960	

*Including Supervisors

Calendar of Events

July

12. Successful Inventory Management for the Wholesale Paper Distributor, Hyatt Des Moines, Des Moines, IA. Contact NPTA.

August

28. Successful Inventory Management for Wholesale Paper Distributor, Boston Marriott Hotel, Boston, MA. Contact NPTA.

30. Successful Inventory Management for the Wholesale Paper Distributor, Boston Marriott Hotel, Boston, MA. Contact NPTA.

September

6. Profit Improvement Day, Columbus Marriott North Inn, Columbus, OH. Contact NPTA.

22-25. NPTA's Annual Convention and Paper/Plastics Allied Products Exposition, Hyatt Regency Chicago Hotel, Chicago, IL. Contact NPTA.

THE AVERAGE DUAL MERCHANT

Overall Measures

(MEDIANS)	1982	1983	Your Firm
Total Net Sales ($000)	$12,532	$15,048	
Percent Sales Change Over Prior Year (%)	-0.26	5.63	
Total Operating Expenses As % Gross Profit (%)	88.25	87.01	
Net Profit Before Taxes As % Net Sales (%)	2.12	2.35	
Days Sales in Accts. Receivable Nov. 30 (Days)	38.19	37.70	
*Sales Per Outside Sales Rep ($)	$860,000	$969,000	
*Avg. Pay & Travel Exp. Per Outside Sales Rep ($)	$37,420	$40,950	

Printing Paper Business

(MEDIANS)	1982	1983	Your Firm
Percent Sales Change Over Prior Year (%)			
-Warehouse & Indirect	0.35	7.21	
-Direct	0.91	8.23	
+Warehouse Gross Margin As % Warehouse Sales (%)	23.87	23.14	
Direct Gross Margin As % Direct Sales (%)	7.95	7.32	
Indirect Gross Margin As % Indirect Sales (%)	17.90	17.87	
+Inventory Turnover (Whse only, X)	4.87	4.98	

Industrial Paper Business

(MEDIANS)	1982	1983	Your Firm
Percent Sales Change Over Prior Year (%)			
-Warehouse & Indirect	-0.07	2.78	
-Direct	-2.21	3.19	
+Warehouse Gross Margin As % Warehouse Sales (%)	21.48	21.69	
Direct Gross Margin As % Direct Sales (%)	13.13	13.75	
Indirect Gross Margin As % Indirect Sales (%)	19.77	20.93	
+Inventory Turnover (Whse only, X)	5.38	5.33	

*Including supervisors +On non-LIFO basis

NPTA Management News/July, 1984

Sales Personnel Productivity Trends

Today, sales compensation and sales department productivity is as important a topic for paper distributors as for most other industries. As the cost of a typical sales call continues to escalate, more merchants are utilizing telemarketing programs of one kind or another and are scrutinizing inside sales sales service departments more closely.

In the table (P. 10), key PAR performance measures for 1982-83 are presented that cover: the overall sales department, outside sales reps, sales service personnel. It may be valuable to compare your firm's averages to these industry medians.

Both sales and gross profits per sales department employee were up in 1983 for all merchant groups. Except for industrial houses, gross profits rose faster than sales. Sales service and selling expenses as a percent of gross profits were reduced in 1983 by printing and industrial houses, but rose for dual merchants.

The *average* **printing** paper outside sales rep sold $1.2 million of product in 1983, up 4.8% from 1982. Meanwhile, that rep's average pay plus travel expenses were held in check, actually declining 4.4% to $41,500. The average **industrial** paper sales rep generated $639,000 in sales, up 16% over 1982. That rep earned a median salary of $36,000, up 11.5%. The average **dual** rep did some $969,000 in sales, up 12.7%, while earning $40,900, up 9.4%.

Gross profit per outside sales rep was improved most by industrial houses - up 23% during 1983. Sale rep's pay plus travel expenses took a smaller bite of gross profits across-the-board in 1983.

For **sales service personnel,** the increase in sales generated per employee outpaced salary increases for printing and industrial houses, but not for dual merchants. The median salary of these employees ranged from $15,900 to $18,200. Sales per sales service employee were up a strong 13.9% to $2.12 million for industrial merchants, who also experienced the greatest improvement in gross profits per sales service employee, up 7.9% to $151,800.

Editor's Note: The *average* outside sales rep figures are calculated by dividing the gross annual sales of the company by the number of sales people. Because most firms have fewer inside sales and sales service people, the amount per employee is naturally much higher.

(Continued on page 10)